

Governor's Forest Health OVERSIGHT COUNCIL

Pursuant to A.R.S. Section 38-431, notice is hereby given to the members of the Forest Health Oversight Council and to the general public that the **Forest Health Oversight Council** will hold a meeting open to the public:

Thursday, October 13, 2005, 9:30 a.m.
Arizona Department of Transportation
Room 145
206 S. 17th Avenue
Phoenix, Arizona

- 1) Call to order – Diane Vosick
- 2) Review and vote on minutes from the **9.08.05** meeting -Approved
- 3) Subcommittees
 - a. Reports
 - i. Utilization & Commerce – Marty Moore has changed jobs and moved to New Mexico. No other report on this subcommittee. Diane would like to preset a plaque to Marty Moore for all the work he did on this subcommittee.
 - ii. Zoning & Implementation -Mayor Joe Donaldson. No report
 - iii. Education – Rob Smith substituting for Mike Neal. No report
 - iv. Mapping-Barron Orr. New Mexico likes the idea of the GIS system and wants to work with Arizona to use the template created by Glen Buettner. Heather pointed out that the database evolution of the GIS system would make the state a grant candidate. The GIS landscape data is almost finished. Flagstaff is the test area for the GIS tool. When the test is complete it will be presented to the city council.
- 4) Analysis of Fort Valley Phase II thinning contract and lack of bidders- Allen Ribelin, High Desert Investment
Allen Ribelin provided a brief background. His family has lived in Flagstaff for over 30 years. He has been in the logging business for a long time. Presently, he is involved in many activities to promote small wood utilization.

Mr. Ribelin has been working with Patty Duff regarding the tax incentive program. He reports that it in his opinion it has not been running smoothly. Commerce has received one application (his) in response to the new program. He states that the application is very involved but is not difficult. It also requests for 018 forms but after the application is submitted. The certification will go into effect November 1st instead of August 12th. To qualify for the incentive the Department of Revenue has decided that a qualified business must spend 70% of their effort in wood harvesting. This is a change from 50% (a figure that was originally presented). Because many companies have diversified to stay in business this will disqualify many of the people the incentives seek to assist. He suggests that it could be based on acres. He complimented Patty and Tiffany for all the hard work that they have put into this program.

Diane and Tom say that the goal of the legislation is to restore the forest. A suggestion was made to talk to Revenue about this change.

Patty and Tiffany will be presenting to logging committee on October 29th, 2005.

FORT VALLEY- There is no market for the trees offered in the Fort Valley contract. Even the big trees have no market place now. There were four major mills that have been closed. The ones that are still running are small, underfunded mills. Southwest Forest Products is doing well in Phoenix.

Presently all available stewardship dollars are committed to the White Mountains. Katrina will also impact the availability of federal funding. He is worried that the federal funding will go down over the next couple of years. The West needs to address the funding needed.

5) Update on Environmental Portfolio Standards and Corporation Commission Activities- Steve Gatewood, Greater Flagstaff Forest Partnership

The portfolio is being evaluated. The draft rule was presented Aug 10th-11th. Three commissioners support the increase for the portfolio standard and include biomass. The staff will report rules out in December and commission will then make some decisions. Diane asked what will be the impact in 3 years. 2006 will be 1.5% 2025 15%. Rule making process will start early next year. It was emphasized that solar is more expensive than biomass. The Council will write a letter stating a position.

6) Overview of the information needs assessment underway by the Ecological Restoration Institute at Northern Arizona University as a part of recently passed federal legislation- This is part one of a two part exercise engaging the Forest Health Councils- Diane Vosick, Ecological Restoration Institute

Congress passed legislation on October 2004. The three Institutes established under the Act are required to conduct information needs assessments from a broad representation of stakeholders. The ERI will be presenting the opportunity for members of the Council to express information needs at the November meeting.

7) Schedule and Plan of Work for the Council in 2005-2006

- a. Schedule
- b. Priorities
- c. Potential Speakers

Ideas for future speakers and activity include:

- An analysis of zoning and planning authorities. Out Council will work with the League of Cities and Towns to get a speaker
- Discussion of the landscape context paper under consideration by the Advisory Committee
- Invite a representative from City of San Diego to discuss their responses to the 2003 fires
- Mark Spencer, Corporation Commissioner
- Rob Smith feels we need to understand the benefits and costs of different sources of alternative energy before preparing a letter to EPS
- Explore revenue and funding opportunities to promote forest restoration

8) Future meeting dates and locations

- a. November 10, 2005- County Board of Supervisors Building

9) Call to the Public – Prescott session on wildfires was well received.

10) Adjournment 11:22 a.m.

Dated this 11th day of October - Governor's Forest Health Oversight Council

CO-CHAIRS

Diane Vosick – Ecological Restoration Institute, NAU
Rep. Tom O'Halleran – Arizona House of Representatives

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